FY 97 SUPPLEMENTAL APPROPRIATIONS/Outlay Offsets

SUBJECT: Supplemental Appropriations and Rescissions Act for fiscal year 1997 . . . S. 672. Stevens motion to table the Gramm amendment No. 118.

ACTION: MOTION TO TABLE AGREED TO, 62-38

SYNOPSIS: As reported, S. 672, the Supplemental Appropriations and Rescissions Act for fiscal year (FY) 1997, will provide emergency disaster funding, funding for continuing military operations in Bosnia and Iraq, and supplemental funding. Budget authority (BA) offsets also will be provided. Other bill provisions include funding for highways and veterans, and a provision to prevent a Government shutdown by providing continuing funds if appropriations are not passed by October 1, 1997.

The Gramm amendment would require across-the-board rescissions in nondefense discretionary spending to offset the \$699 million outlay increase in this bill for fiscal year (FY) 1997. (A 1.9 percent reduction in FY 1997 appropriations would be required). Additionally, the Gramm amendment would remove the emergency designation for budget authority (BA) in this Act that is for years after FY 1997 (the effect of this provision would be to require that future year outlays be included under the spending caps instead of added to the deficit. By CBO estimates, this bill as reported will increase total nondefense outlays by \$6.467 billion through FY 2002).

Debate was limited by unanimous consent. Following debate, Senator Stevens moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The best course for paying for natural disasters is to budget for them ahead of time. If that step is not taken, or if it turns out that too little has been set aside, then the next best course is to borrow money. We know that this position is not popular, and at first impression defies common-sense notions of responsibility, but for budgetary reasons it is the best option. When the Federal

(See other side) **YEAS (62)** NAYS (38) NOT VOTING (0) Republicans Democrats Republicans Democrats Republicans **Democrats** (19 or 35%) (43 or 96%) (36 or 65%) (2 or 4%) (0)(0)Bennett Akaka Johnson Abraham Hutchinson Feingold Baucus Kennedy Allard Hutchison Kohl Campbell Biden Kerrey Ashcroft Inhofe Bingaman Kempthorne Chafee Brownback Kerry Cochran Boxer Landrieu Burns Kyl Collins Breaux Lautenberg Coats Lott D'Amato Coverdell Bryan Leahy Mack Domenici **Bumpers** Levin McCain Craig Gorton Byrd Lieberman DeWine McConnell Cleland Hatch Mikulski Enzi Nickles Jeffords Moseley-Braun Faircloth Conrad Roth Lugar Daschle Moynihan Santorum Frist Murkowski Dodd Murray Gramm Sessions Roberts Dorgan Reed Grams Smith, Bob Shelby Durbin Reid Grassley Thomas Smith, Gordon Feinstein Robb Gregg Thompson EXPLANATION OF ABSENCE: Snowe Ford Rockefeller Thurmond Hagel Specter Glenn Sarbanes Helms Warner 1—Official Business Stevens Graham Torricelli 2—Necessarily Absent Wellstone Harkin 3—Illness Hollings Wyden 4—Other Inouye SYMBOLS: AY—Announced Yea AN-Announced Nay PY-Paired Yea PN-Paired Nay

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Government gives disaster aid, it is because disasters have occurred that have been so large they have overwhelmed the ability of State and local governments to pay for them. Large disasters occur at random; no one can say when or where they will occur. The United States has a \$1.5 trillion budget, but most of that spending is mandatory spending, and a large part of the rest is defense spending. The disaster spending comes out of the small portion of the budget that is domestic discretionary spending. If this disaster had occurred at the start of the fiscal year, to come up with the required \$699 million in outlay savings each program would have had to have been cut by 1.9 percent. However, we are not at the beginning of the fiscal year; we are more than halfway through it. A large part of each agency's money has already been spent. The across-the-board cut ordered by the Gramm amendment today would result in 5 percent cuts of the remaining money. If we wait longer, we will have to make increasingly larger cuts. Many of us who oppose the Gramm amendment would love to reduce the size of the Federal Government, but we do not believe that this would be a responsible way of doing so. Theoretically, with a large enough disaster close enough to the end of the fiscal year, most of the Federal Government could be wiped out. Certainly the intention of the proponents of the Gramm amendment is admirable, but their proposal would do more harm than good. Therefore, we urge our colleagues to join us in tabling it.

Those opposing the motion to table contended:

We should provide assistance to victims of natural disasters. The operative word is "we." The unfortunate and damning truth, though, is that "we" are not providing aid in this bill, nor have "we" given any natural disaster aid in the past several years. Victims of natural disasters have received aid, of course, but that aid has come from our children and grandchildren, not us, because it has been borrowed money that has been added to the deficit. In 1993, we added \$5.4 billion to the deficit in the name of disaster relief; in 1994 we added \$9 billion; in 1995 we added \$10 billion; in 1996 we added \$6.4 billion. This particular bill, in the name of disaster relief, will put our children and grandchildren another \$6.667 billion in debt. We do not think it is particularly compassionate to pay for present problems by stealing from future generations. On one point we strongly commend our colleagues—they have provided BA offsets for the emergency discretionary spending in the bill. However, BA is only authority to spend money; it is not the equivalent of outlays, which are the actual spending of money. Cutting BA only results in outlay reductions in a year if it was expected that the BA was going to be used. On the military side, the BA our colleagues have proposed rescinding will result in outlay reductions, so the defense spending in this bill will not increase the deficit. On the nondefense side, however, the BA they have proposed to rescind will result in very little outlay reductions. As a result, the budget deficit will climb by \$699 billion this year and by a whopping \$6.6 billion over the next 8 years.

Under the Budget Act, it is permitted to add disaster aid to the deficit without even providing for BA offsets, but it is not right. The right thing to do is to pay for any aid that is given. The Gramm amendment would pay for the disaster aid in this bill in two ways. First, it would require an across-the-board cut in all discretionary nondefense programs in order to pay for the discretionary nondefense disaster assistance that this bill will provide for fiscal year 1997. Each program would be cut by 1.9 percent. For future years, the amendment would require the disaster assistance given by this bill to be included under the discretionary spending cap. One year, two years, three years, and more down the line we are not responding to any sudden emergency that does not give us time to find offsets--we should provide aid, but we should find ways of paying for that aid as well.

Some Senators have argued that we should have budgeted for disaster assistance ahead of time, because, while we do not know where disasters will occur, we know statistically that they will occur and we know that they will cost an average of \$7 billion per year. We agree. We should have budgeted for these disasters. However, that fact is irrelevant to this debate. We did not budget ahead of time, so the question before us now is how do we proceed? Some of our colleagues believe that it is too difficult to make agencies cut from their budgets so late in the fiscal year. They note, correctly, that it is easier just to borrow the money and leave the bill to future generations. From our point of view, though, Congress and the President need to stop taking the easy way out. We are willing to take the political heat now from constituents who will complain when they receive less services from agencies that are cut. We think that course of action is much better than again letting the deficit climb. We urge Senators not to take the easy way out. We urge them to oppose the motion to table the Gramm amendment.